



## Cabinet recommendations to Council - Revenue Budget Proposals 2025/26 for the Housing Revenue Account (HRA)

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<b>Lead Member/Relevant Portfolio Holder</b>	<b>Councillor Pip Allnatt</b> - Leader of the Council & Portfolio Holder for Housing and Landlord Services <b>Councillor Sarah Cox</b> – Portfolio Holder for Corporate Finance, Property and Resources

<b>Corporate Priority:</b>	Providing high quality council homes and landlord services Ensuring the right conditions to support delivery (inward)
<b>Relevant Ward Member(s):</b>	All
<b>Date of consultation with Ward Member(s):</b>	N/A
<b>Exempt Information:</b>	No

### 1 Summary

- 1.1 The purpose of this report is to update on the financial position of the Housing Revenue Account (HRA) and, in line with the parameters set by government, to set the rents of the Council dwellings with an increase of 2.70%, approve the HRA budget estimates for 2025/26 and continue to set the working balance for 2025/26 at £1m.

## 2 Recommendations

### That Council:

- 2.1 Approves the budget estimates for 2025/26;
- 2.2 Approves the average rent increase of 2.70% for all Council dwellings with effect from 1 April 2025;
- 2.3 Approves the 2025-26 capital programme, and
- 2.4 Delegates authority to the Director for Housing and Communities, in consultation with the Director for Corporate Services and Portfolio Holder for Council Housing and Landlord Services, to approve virements within the HRA capital programme during the year to provide flexibility to meet emerging needs and maintain decent homes.
- 2.5 To note that as part of the continuing focus on resourcing requirements for tenancy, income and engagement functions, a revised staffing structure is being developed and will shortly be considered by the Chief Executive under existing delegated powers.
- 2.5.1 In support of the new structure, to delegate to the Chief Executive, in consultation with the Director for Corporate Services, authority to access the HRA Regeneration and Development Reserve for up to £200k in 2025/26 to cover both the additional one off and recurring costs of the new structure and enable the resourcing plan to be implemented.
- 2.5.2 To note that the recurring costs associated with the change of establishment will be built into the base budget from 2026/27 providing the financial viability of the HRA is not undermined.

## 3 Reason for Recommendations

- 3.1 The Local Government and Housing Act 1989 requires the Council to produce and publish an annual budget, including the setting of rents, for the HRA which avoids a deficit. The proposed rent increase is in line with Government policy and is the maximum increase allowed.
- 3.2 To implement a revised staffing structure, specifically within the Tenancy Services, Income and Engagement functions, which will:
  - a) Enable clarity of ownership of areas of work and line management, moving from a 'flat' structure to one that meets service delivery needs and frees up management time to focus on strategic management and service improvement.
  - b) Regularise some temporary arrangements which have proven to be successful.
  - c) Create stability and certainty to meet ongoing resourcing needs for housing officer and income collection capacity.
  - d) Maximise income collection capacity – rents, garages, scooter pods, former tenant arrears; and
  - e) Through some fixed term arrangements, accelerate progress on key projects linked to regulatory judgement.

## **4 Background**

4.1 The Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) was presented to the Scrutiny Committee at their meeting on 23 January 2025.

4.2 Cabinet are due to consider the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) at their meeting on 6 February 2025.

## **5 Main Considerations**

5.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **6 Options Considered**

6.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **7 Consultation**

7.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **8 Next Steps – Implementation and Communication**

8.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **9 Financial Implications**

9.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

**Financial Implications reviewed by: See Appendix 1**

## **10 Legal and Governance Implications**

10.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

**Legal Implications reviewed by: See Appendix 1**

## **11 Equality and Safeguarding Implications**

11.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **12 Data Protection Implications (Mandatory)**

12.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **13 Community Safety Implications**

13.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **14 Environmental and Climate Change Implications**

14.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **15 Other Implications (where significant)**

- 15.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **16 Risk & Mitigation**

- 16.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **17 Background Papers.**

- 17.1 As outlined in the Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report at Appendix 1.

## **18 Appendices**

- 18.1 Appendix 1 – Revenue Budget Proposals 2025/26 – Housing Revenue Account (HRA) report.
- 18.2 Appendix A – HRA Estimates
- 18.3 Appendix B – HRA Capital Programme 2024/25
- 18.4 Appendix C – HRA Capital Programme 2025-29